



RESOURCE TOOL KIT FOR TAX CREDIT PROGRAM GRANTEES

Congratulations on receiving a tax credit award from CDFA!

To help you have a successful project, we've put together this tool kit to help explain some of the questions you'll have along the way. [Note that each of these documents can be downloaded individually at www.nhcdfa.org/tax-credits/tax-credit-resources].

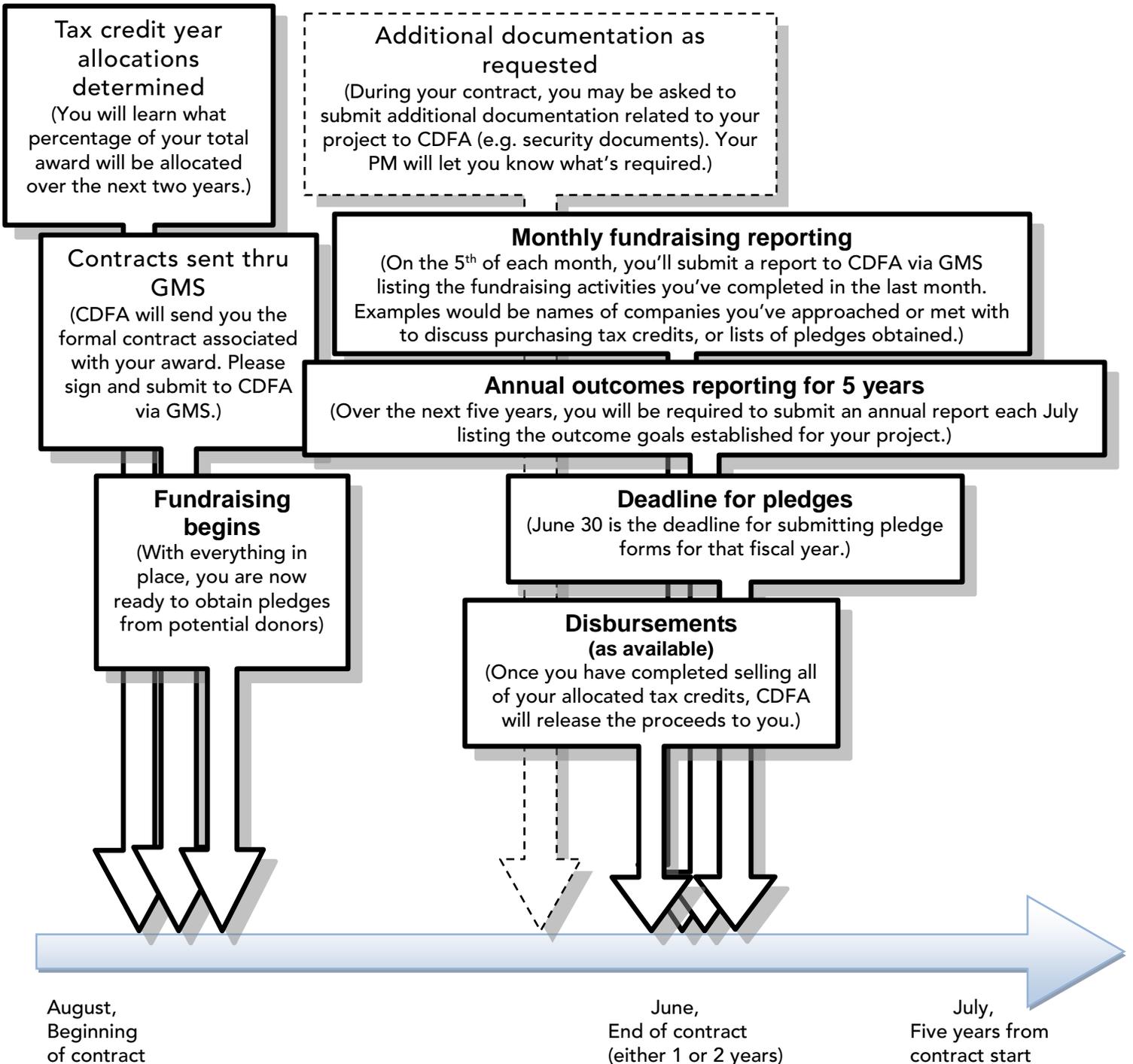
Included in the Tax Credit Tool Kit are the following documents:

- TAX CREDIT GRANT PROCESS TIMELINE - (page 3)
This will help illustrate the expected benchmarks of your project.
- HOW TO USE GMS FOR CORRESPONDENCE WITH CDFA STAFF - (page 4)
It's important to use the "correspondence" feature in GMS to communicate with your portfolio manager, rather than send a simple email. This step-by-step document shows you how.
- TAX CREDIT PROGRAM INFORMATION FOR DONORS - (page 6)
For businesses that are unfamiliar with CDFA's Tax Credit program, this document may provide them with answers to their questions about purchasing tax credits.
- TAX CREDIT BENEFIT ILLUSTRATION - (page 11)
For businesses, this spreadsheet offers these potential donors an example of how applying a CDFA tax credit could benefit the amount of federal and state business taxes they pay.
- NH BUSINESS ENTERPRISE TAX CALCULATOR SCHEDULE - (page 12)
For businesses, this table illustrates how the NH Business Enterprise Tax (BET) is calculated and offers examples of how applying the CDFA tax credit can affect their tax burden.
- TAX OPINION FROM CDFA COUNCIL - (page 13)
This document provides a statement from CDFA's legal advisors affirming which tax benefits most business donors are eligible for when applying CDFA tax credits.

- BLANK PLEDGE AGREEMENT - (page 14)
A copy of a blank CDFA pledge agreement. You can make photocopies or download additional pledge sheets to give to all of your donors.
- PLEDGE AGREEMENT INSTRUCTIONS - (page 18)
This step-by-step document will show you how to submit your completed pledge forms to CDFA via GMS
- ONLINE PLEDGE FORM INSTRUCTIONS - (page 20)
This document provides a brief overview of how the online pledge form at nhcdfa.org works and what to expect when a donor uses this interactive tool to make a tax credit pledge.
- TIPS FOR SUCCESSFUL FUNDRAISING - (page 22)
Fundraising with CDFA tax credits is different than asking for cash donations. Here are some tips for your campaign.
- TAX CREDIT PROGRAM FAQs - (page 24)
Here are answers to some frequently asked questions (from grantees and donors) about CDFA's Tax Credit program.

The legal details of your tax credit project can be found in your contract with CDFA. If you have any questions that are not answered here, contact your portfolio manager (through GMS). Or, feel free to call us at 603.226.2170.

TAX CREDIT GRANT TIMELINE





USING GMS TO CORRESPOND WITH STAFF

For the purposes of administering your CDFA grant, we discourage the use of corresponding with staff through regular email. We prefer you use the CORRESPONDENCE feature in GMS to send all communications. This will keep a tidy record of all correspondence and will help CDFA staff if your portfolio manager is unavailable to help you with a concern.

Please note: You will be notified if any messages have been sent to you from CDFA staff via GMS.

You'll receive an email in your regular email inbox from webgrants@dullestech.com, our system administrator. Please ensure this address is added to your "safe senders" list so the message won't go into your junk folder.

1. Log in to GMS at www.nhcdfagrants.org.
2. Click on: MY GRANTS then select the name of your grant award.
3. Select: CORRESPONDENCE from the list of grant components.
4. To the right of "Inter-system Grantee Correspondence" click ADD to open another window.
5. Select the name of whom you want to send the correspondence. You can select more than one name by holding down the ctrl key. (Note, if you do not click on a name, the email will not be sent).
6. If you want to add a person who is not a GMS user, enter their email address in the cc box.

7. Enter the subject of your correspondence in subject line, then write your message in the message box
8. To attach a document, click CHOOSE FILE to find the file on your computer. Select that file, and then click OPEN.
9. Click SEND to send the correspondence.

Please note: If you receive an email sent to you via GMS, do not hit REPLY to respond. The email will be bounced to our system server and not make it back to the original sender. If you need to reply to the message, log back into GMS to respond.



TAX CREDIT PROGRAM INFORMATION FOR DONORS

New Hampshire businesses have the unique opportunity to invest in community and economic development projects *and* receive a 75% state tax credit for that contribution through the Community Development Investment Program (CDIP), also known as the CDFA Investment Tax Credit Program.

The Tax Credit Program was approved by the New Hampshire Legislature in 1991 and is administered by the New Hampshire Community Development Finance Authority (CDFA).

It enables businesses to invest cash, securities, or real property to fund CDFA-approved economic, community development, and workforce housing projects in exchange for a state tax credit that can be applied against the New Hampshire business profits tax, business enterprise tax, and/or insurance premium tax. CDFA refers to these businesses as "donors." The tax credit is equal to 75% of their contributions. An investment is also eligible for treatment as a federal charitable contribution. Tax credits may be used at any time during a period of five successive years.

For example, a business which contributes \$10,000 to a CDFA approved project will receive a state tax credit in the amount of \$7,500. After federal tax benefits are accounted for, the contribution actually costs the company approximately 10.9% of the \$10,000, or \$1,089¹. This helps the donor make a big impact in a community by leveraging the tax dollars they would pay to the state and federal government anyway.

¹ Everyone's business tax obligations are different. Consult with your own accountant or tax professional to see what additional benefits you might get from purchasing CDFA tax credits

TAX CREDIT PROGRAM DETAILS

1. Businesses make a binding pledge. Pledges of cash contributions will be acknowledged by a pledge agreement between the donor, the project, and CDFA. Pledges will be considered binding promises of payment and will be enforceable as such. CDFA will provide the donor with copies of the executed pledge.
2. CDFA will invoice the donor. The business can select a date on which it will make its payment; CDFA will invoice them approximately 30 days before the contribution is due. The donor's check must be made payable to and mailed to CDFA — *not* to the project that the money is supporting. To ensure rapid processing, donors need to please note on the check the name of the project to which they are contributing — especially if they contribute to multiple projects. CDFA will provide the donor with tax credit documentation upon receipt of the contribution funds.
3. Businesses will receive a 75% tax credit. After CDFA receives the contribution, the company will be entitled take the state tax credit against the New Hampshire BPT, BET, and/or IPT equal to 75% of that contribution.
4. Processing and timing of tax credits. Once the donor contribution has been received and processed by CDFA, we will issue a federal charitable contribution letter to the donor. Depending on the tax credit year to which the donation has been allocated, we will then issue a state tax credit letter.
5. Donor businesses have 5 years. Donors have up to five successive years to use their tax credits. If the company has little or no tax liability in the year the state tax credit letter is issued, a portion (or all) of the donor's tax credits can be claimed later in the five-year period.

6. Federal tax benefits. The donor investment may be eligible for treatment as a federal charitable contribution. Contributors are advised to consult their tax accountants.

CDFA'S TAX CREDIT POLICY¹

- CDFA is bound by an annual \$5 million investment cap – the maximum amount that may be invested in CDFA-approved projects that can be accepted during each state fiscal year (July 1 – June 30) that are eligible for tax credits during that fiscal year.
- The donor will be required to acknowledge an investment, or pledge of investment, with a pledge agreement between CDFA, the project, and the donor. These agreements shall be binding.
- The donor relinquishes the right to their contribution once it is made, may place no conditions or terms upon it, and must accept the terms and conditions imposed by CDFA on the project for which the contribution is made.
- The contribution must be provided directly to CDFA, not to the project to which it is intended.

¹ CDFA is governed by RSA 162-L, as amended from time to time. CDFA policies are determined based on our interpretation of RSA 162-L, and are subject to change.

APPLICATION OF CDFA TAX CREDITS

- ◆ A donor is limited to using tax credits totaling \$1 million in any given state fiscal year. Any unused portion of a tax credit can be carried forward for no more than five succeeding years.
- ◆ CDFA can control only when tax credits are issued – not when and how they are used. The donor is responsible for filing appropriate and accurate tax returns, using the tax credit letter

as its evidence that the credit has been granted by CDFA. The Department of Revenue Administration will receive a quarterly list of all tax credits issued for each state fiscal year.

- ◆ The donation is also eligible for treatment as a federal charitable contribution. Donors are advised to consult their tax accountants.

BUSINESS PROFITS TAX

All businesses, except Sec. 501 federally exempt organizations, operating in New Hampshire with gross receipts in excess of \$50,000 are required to file a Business Profits Tax (BPT) return under RSA 77-A.

- ◆ Sec. 501 organizations exempt from BPT include corporations organized under Act of Congress, civic leagues, social welfare organizations, chambers of commerce, real estate boards and other similar federally exempt organizations, contributions to which are generally not tax deductible.
- ◆ The BPT rate is currently 8.5%.
- ◆ CDFA Tax Credits can be applied against Business Profits Tax on the BPT return as follows:
 - NH Form 1120 on Line 7, Credits Allowed*
 - NH DP-160 Schedule of Business Profits Tax Credits on Line 2*
 - NH-1120-ES Estimated Corporation Business Tax Quarterly Payments on Line 3a*

BUSINESS ENTERPRISE TAX

All businesses, except Sec. 501(c)(3) federally exempt organizations, operating in the state of New Hampshire with gross receipts in excess of \$150,000 or enterprise value tax base of \$75,000 or more are required to file a Business Enterprise Tax (BET) return. The BET tax is imposed under RSA 77-E.

- ◆ The BET rate is .75% (.0075) of the enterprise value tax base, which is the sum of all compensation paid or accrued, interest paid or accrued, and dividends paid.

- ◆ Business Enterprise Tax (BET) payments may be applied as a tax credit against Business Profits Tax (BPT).
- ◆ CDFA Investment Tax Credits are applied against Business Enterprise Tax on Line 6(a) of the NH Form BET return*.

INSURANCE PREMIUM TAX

Every insurer pays a tax of 1.25% to 2% of net premiums, payable to the NH Insurance Department, as imposed under RSA 400-A.

- ◆ CDFA Tax Credits are applied against Insurance Premium Tax on Page 3*.
- ◆ Taxpayers may also apply BET tax payments as a credit against their liability under the Insurance Premium Tax to reduce Gross Premiums.

* Based on latest NH Department of Revenue Administration and NH Insurance Department forms, which are subject to change.

If you have any questions regarding the impact the tax credits will have on your liability, please contact your tax specialist. For general information, call your portfolio manager or Ted Kuchinski, CFO at CDFA (603-717-9125); or visit CDFA's web site at www.nhcdfa.org.



Tax Credit Benefit Illustration

This spreadsheet offers an example of how using CDFA tax credits can affect the amount of federal and state taxes a donor pays.
For an interactive spreadsheet, go to www.nhcdfa.org/tax-credits/tax-calculator.

	With \$100,000 Contribution	Without Contribution	Net Savings
1. Tax Credit used to pay NH BPT, BET, Insurance Taxes	75000		\$75,000
2. Federal Income Tax			
3. Taxable Income before CDFA Contribution & NH BPT	1000000	1000000	
4. less: Contribution to CDFA (Net of Tax Credit Benefit)	-100000	0	
5. less: NH Business Profit Taxes	-1500	-85000	
6. Adjustments to Taxable Income (3+4+5)	-101500	-85000	
7. Net Federal Taxable Income	898500	915000	
8. Federal Income Tax Rate	34.0%	34.0%	
9. Total Federal Income Tax Liability	305490	311100	5610
10. NH Business Profit Tax			
11. Net New Hampshire Taxable Income	900000	1000000	
12. NH Business Profit Tax Rate	8.5%	8.5%	
13. Total NH BPT Liability	76500	85000	8500
14. Net Savings on a \$100,000 Donation to CDFA Tax Credit Program			\$89,110
15. Net Percentage Cost of Original Contribution			
16. Net Cost of \$100,000 Contribution			\$10,890
17. Net Percentage Cost of Contribution			10.9%

- Notes:*
- a. Line 5: NH BPT net of Tax Credits is equal to line 13 less line 1.
 - b. Line 11: Net NH Taxable Income is equal to line 3 less line 4 in the Federal Income Tax section.
 - c. A 5 year carryforward is allowed if the total amount of the tax credit is not used in the year it is issued.
 - d. For Federal tax purposes there may be limitations that apply to your business.
 - e. Contributors are responsible for consulting with their own tax advisors to determine the impact of contributing to the CDFA tax credits on their fin.



TAX CREDIT PROGRAM NH BUSINESS ENTERPRISE TAX CALCULATOR

Annual NH Payroll	Annual NH Business Enterprise Tax Payment	Estimated NH Employees	Potential contribution
\$250,000	\$1,875	5	\$2,500
\$500,000	\$3,750	10	\$5,000
\$1,000,000	\$7,500	20	\$10,000
\$5,000,000	\$37,500	100	\$50,000
\$10,000,000	\$75,000	200	\$100,000
\$15,000,000	\$112,500	300	\$150,000
\$20,000,000	\$150,000	400	\$200,000
\$25,000,000	\$187,500	500	\$250,000
\$30,000,000	\$225,000	600	\$300,000
\$40,000,000	\$300,000	800	\$400,000
\$45,000,000	\$337,500	900	\$450,000
\$50,000,000	\$375,000	1,000	\$500,000
\$55,000,000	\$412,500	1,100	\$550,000
\$60,000,000	\$450,000	1,200	\$600,000
\$65,000,000	\$487,500	1,300	\$650,000
\$70,000,000	\$525,000	1,400	\$700,000
\$75,000,000	\$562,500	1,500	\$750,000
\$80,000,000	\$600,000	1,600	\$800,000
\$85,000,000	\$637,500	1,700	\$850,000
\$90,000,000	\$675,000	1,800	\$900,000
\$95,000,000	\$712,500	1,900	\$950,000
\$100,000,000	\$750,000	2,000	\$1,000,000
\$200,000,000	\$1,500,000	4,000	\$2,000,000
\$250,000,000	\$1,875,000	5,000	\$2,500,000

The New Hampshire Business Enterprise Tax: All businesses, except Sec. 501(c)(3) federally exempt organizations, operating in the state of New Hampshire with gross receipts in excess of \$100,000 or enterprise value tax base of \$50,000 or more are required to file a Business Enterprise Tax (BET) return. The BET tax is imposed under RSA 77-E.

- ◆ The BET rate is .75% (.0075) of the enterprise value tax base, which is the sum of all compensation paid or accrued, interest paid or accrued, and dividends paid.
- ◆ Business Enterprise Tax (BET) payments may be applied as a tax credit against Business Profits Tax (BPT).

Chart is for illustrative use only and is not an official document of the State of New Hampshire or its Department of Revenue Administration. Payroll estimates based on \$50,000 per employee per year.



TAX OPINION

CDFA has obtained an opinion of counsel which concludes it is more likely than not contributors to CDFA should be eligible for all three of the following tax benefits:

- (1) A contributor is entitled to a credit against New Hampshire Business Profits Tax ("BPT"), Business Enterprise Tax and taxes imposed on insurance companies under NH RSA 400-A, individually or in combination, in an amount equal to 75% of the contribution made. The credit is to be taken for the tax year in which the CDFA actually receives the contribution and is limited to \$1,000,000 in any given tax year, but any excess amount may be carried forward for 5 succeeding years.
- (2) A contributor is entitled to a charitable contribution deduction for federal tax purposes, subject to the same limitations associated with a contribution to any 501(c)(3) organization that qualifies as a public charity.
- (3) With the exception of a contributor who is an individual doing business as a sole proprietor or through a single member limited liability company, a contributor entitled to a charitable deduction for federal tax purposes receives the benefit of that deduction for New Hampshire Business Profits Tax purposes because "gross business profits," the profit base on which the BPT is based, begins with an amount from the federal income tax return that is already reduced by the federal charitable contribution deduction.

CDFA's opinion of counsel is for the benefit of CDFA only and may not be relied upon by any other party. Contributors should consult with their own tax advisor to determine how the tax rules described above will apply in their own particular case.



Tip for Successful Tax Credit Fundraising

- Few businesses will donate to your project because they're looking for a tax break. They'll donate because they support your organization and believe in your project. Position the tax credits as a way to sweeten the pot and leverage up that financial support.
- Be prepared to talk to your prospective donor about what impact your project will have on the community, and how the state tax credit and federal charitable donation will benefit your donor's bottom-line. This includes both a monetary benefit discussion, as well as public relations opportunities to generate new business. Direct them to CDFA's online tax calculator (www.nhcdfa.org/tax-credits/tax-calculator) to experiment with what their out-of-pocket costs might be with different pledge amounts.
- Contact your local Chamber of Commerce for a list of businesses in your area to widen your fundraising campaign. You can also schedule presentations to highlight your project and the tax benefits available for your local community organizations such as Rotary, Kiwanis, Chamber, or others to generate community-wide interest in your project. Even if a potential donor may not be interested at this time, at least you have

made a contact for your organization for future reference. Your board of directors is another source to tap. They have many community contacts and can assist in “selling” your project’s tax credits to interested donors.

- Develop effective, professional-looking fundraising materials; these could include:
 - Presentation folder with a picture of your project on the front
 - Resources from this Resource Tool Kit
 - Project description, with renderings or pictures of what it will look like
 - Project budget

Keep it short and simple, but be ready with additional information, if requested by the donor.

- Public relations are an important component of your fundraising efforts. Utilize your local media let the community know what your project is about and to generate excitement before your fundraising campaign kickoff. Let your donors know you will include them in your promotion materials and press releases. Make sure you publicly thank your donors, as it will not only give them publicity, but will also give you another opportunity to promote your project.
- Follow up with the businesses you have solicited and have given your project information and marketing materials to in order to get firm pledge commitments. Be sure to keep a record of contacts made and results, as these will need to be submitted monthly to CDFA while you are in the fundraising stage. If you need assistance, please do not hesitate to call your CDFA Portfolio Manager.



Frequently Asked Questions (FAQs)

Still have questions about how the Tax Credit Program works? We'll try to answer some of the most frequently asked questions by project grantees and businesses alike.

- Which taxes can the CDFA Investment Tax Credit be applied toward?

Credits can be applied against the New Hampshire Business Profits Tax (BPT), Business Enterprise Tax (BET), and Insurance Premium Tax (IPT), individually or in combination, in an amount equal to 75% of the contribution made. As the credit lowers the amount of a business's taxable revenue, it also lowers the amount most donors pay in other taxes. Most CDFA donors pay less than 11 cents on each dollar donated, but each business must consult with its own tax professional to calculate its actual savings.

- Are CDFA tax credits eligible for a federal charitable deduction?

Once a contribution is received, CDFA will send the business a federal charitable contribution letter. But every business's tax situation is different. The donor is responsible for determining if they're eligible for this federal deduction.

- Can I claim CDFA tax credits on my personal tax return?

No. These are state business tax credits that can only be applied to the BPT, BET, and IPT.

- Must a business pay all of its pledge at once?

No. CDFA makes it easy for businesses to fulfill their pledges. After pledging to contribute, the business selects its own date to pay (we'll invoice them approximately 30 days before). This is helpful for businesses that experience seasonal cash-flow concerns or use their liquidity to earn interest on investments. The business donor can also select more than one date to be invoiced and how much of the pledge to pay for each invoice.

- Must a business use all of its tax credits in one year?

No they need not. They may "carry forward" the credits – in full or in part – for up to five years until fully claimed. This is beneficial if the business's profits and tax burden for that year are less than the credit received. Carryback to prior years however is not allowed.

- Can a business purchase tax credits from more than one CDFA project?

Yes they can and several often do.

- Are there limits on the amount of tax credits a business can claim in a single year?

A donor is limited to claiming no more than \$1 million in CDFA tax credits in one fiscal year.

- Is there a lot of paperwork associated with claiming the tax credit?

Not for claiming the credit with the state. There is a single line on each of the three NH business tax forms. The donor just writes the amount of the credit they want to take into this line. CDFA sends all of the important documentation to the DRA for them. To complete their federal taxes, CDFA will send the business a letter acknowledging their payment as a charitable donation.

- Can CDFA accept securities in lieu of a cash donation?

Yes, CDFA accepts donations of stock and securities. The value is based on net proceeds at the time these are sold by CDFA. If net proceeds fall short of the original pledged amount, CDFA will invoice the donor for the difference in cash. Contributors will be contacted if net proceeds from their sale *exceed* the pledged amount.

- Can CDFA accept real property in lieu of a cash donation?

Yes and no. CDFA will accept real property only if a commitment for that property is made at the time of the nonprofit's application (typically, this property is utilized as part of the project, such as building affordable housing on the land). The value is based on a current appraisal. In all other situations, we will not accept a pledge in the form of a property donation.

- My business is headquartered out-of-state. Can I still use CDFA tax credits?

Most definitely. Any business with employees in New Hampshire pays the Business Enterprise Tax against their payroll. The tax obligations for companies that operate in multiple states can become complicated, so a tax credit only applicable in New Hampshire may not seem appealing at first. However, most of the companies that have participated in the CDFA program recognize the value of purchasing tax credits in lieu of making cash contributions to community projects.

- Is CDFA a state agency and does it receive any money from the General Fund?

No. CDFA is not a state agency, staff members are not state employees, and we do not receive an allocation from the state budget to operate the Tax Credit Program. (We receive about 5% in state and federal funds to administer the Community Development Block Grant program, but that's it). We are a "state instrumentality," meaning we have some state authority but operate as a self-sufficient, independent entity. We rely on program funds from the Tax Credit Program to keep us operating.

- What is the impact of the CDFA Tax Credit Program on the state budget?

CDFA is limited to awarding \$5 million in tax credits per fiscal year. As a 75% credit, this means 3.75 million fewer dollars in business tax revenue is collected. The Legislature's goal in establishing the tax credit was to stimulate private investment in community projects and over the years CDFA has demonstrated a great return on investment. Some years, the program has leveraged more than \$23 for every dollar in tax credits claimed.

- There are a couple of figures associated with the program that get confusing. What's the difference between the 75% and the 20% numbers associated with the program?

Let's use a \$10,000 pledge as an example. A business pledging \$10,000 will receive an above-the-line tax credit worth 75% of the donation, or, \$7,500. The business pays the \$10,000 to CDFA. The

credit means the business will pay \$7,500 less in state taxes, but it is still paying \$2,500 of its own money on that \$10,000 pledge.

Once the \$10,000 is received by CDFA, we will retain \$2,000 (20%) in program fees and the remaining \$8,000 will be credited toward your fundraising goal. CDFA has already factored this 20% into your award amount, so you will not be left short of your fundraising goal.

If you are effectively marketing your tax credits, businesses should be pledging far more to your project than contributing cash alone. Although your project receives less money than the figure donated, the larger size of a tax credit pledge should more than make up for the program fee.

- Once I've completed fundraising, when can I receive my funds?

If you've sold all your tax credits, you can go to CLAIMS under MY GRANTS on GMS and request your funds. If your project calls for the purchase of a certain piece of equipment or construction costs, CDFA will need receipts of these charges to affirm contract compliance before reimbursement. In rare cases, CDFA will consider early disbursement of a portion of funds for mission-critical, time-sensitive purchases.

- What happens if I don't sell 100% of my allocated tax credits? Can I still receive funds?

It depends. If you made significant progress toward your goal, CDFA may consider extending the amount of time you have to sell your tax credits. After this extension, the balance of your tax credits will expire and be re-allocated to another project.

You may receive the portion of funds raised through tax credits if you can demonstrate the shortfall can be filled from other financial sources (e.g. a bank loan, charitable grant) and the goals of the project can still be achieved. If your project falls dramatically short of your allocation, and the shortfall cannot be filled, no money will be awarded to your project and the businesses which contributed will select a different CDFA project to apply their donation toward.



PLEDGE AGREEMENT INSTRUCTIONS

CDFA's new online pledge system eliminates the paper shuffling by ending the need for written signatures by the grantee and CDFA. No more printing, signing and scanning! The new system is designed to make the whole pledge process more manageable for everyone, making the donation process as easy as possible.

The electronic pledge form directions are simple:

1. Have your donor go to: www.nhcdfa.org/electronic-pledge.
2. Donor completes the online form.
3. Upon submission, email notifications will be sent to the donor, the grantee, and CDFA.
4. The electronic pledge is entered (by CDFA) into the Donor Management component in the GMS system (which the grantee will be able to check regularly).
5. The Donor will be invoiced for pledged funds based on the due date(s) chosen on the pledge form.

Understanding that some donors might have a reason to stick with paper, for now, we are continuing to offer that option.

The paper pledge form directions are as follows:

1. Have your donor go to: www.nhcdfa.org/tax-credits/tax-credit-resources and click on Grantee Resources, and select the Investment Tax Credit Pledge Agreement (green button).
2. Donor completes the pledge form.
3. Donor mails the signed form to CDFA at 14 Dixon Ave, Concord, NH 03301, or sends an electronic copy of the signed pledge form to: pledges@nhcdfa.org.
4. The electronic pledge is entered (by CDFA) into the Donor Management component in the GMS system (which the grantee will be able to check regularly).
5. The Donor will be invoiced for pledged funds based on the due date(s) chosen on the pledge form.

CDFA will no longer make the old pledge forms available, but will accept them through the end of 2016. It is our hope that you will find the electronic pledge form the most efficient and convenient way to process your tax credit pledges. For any questions please call CDFA at: 603-226-2170.

Thank for participating in the CDFA Tax Credit Program!



New Hampshire Tax Credit Program PLEDGE AGREEMENT

CDFA TAX CREDIT PROGRAM PLEDGE AGREEMENT

WHEREAS, the Contributor pledges to donate (individually, the "Annual Donations" and collectively, the "Cash") to CDFA for further disbursement of a portion of the Cash to Recipient in an effort to assist CDFA in providing for community development such as affordable housing, job creation and retention, and economic development pursuant to New Hampshire RSA 162-L;

AND in so donating the Cash, the Contributor wishes to gain an investment tax credit against taxes imposed by New Hampshire RSA 77-A, RSA 77-E, and/or RSA 400-A, or other similar taxes as authorized or to be authorized in the future by New Hampshire RSA 162-L:10;

NOW, THEREFORE, in consideration of the covenants and benefits set forth herein, and as a condition of making a pledge to donate pursuant to New Hampshire RSA 162-L:10, the Contributor agrees as follows for any such donation:

1. Subject to Section 2 below, Contributor's pledge to donate the Cash is a legally enforceable, valid and binding commitment to contribute the Cash as and when set forth on the CDFA Pledge to Donate. Either CDFA or Recipient, or both, shall have the right to enforce this Agreement and their rights at law or in equity, by bringing a legal action in court, including without implied limitation actions for specific performance or money damages.
2. Contributor pledges to donate and CDFA accepts the Contributor's pledge to donate in cash the aggregate amount set forth on the CDFA Pledge to Donate in accordance with the schedule set forth thereon. Contributor and CDFA agree that Contributor will receive an investment tax credit in the amount of 75% of the amount of each Annual Donation pursuant to RSA 162-L:10 (the "Credit"). Contributor's obligation to make Annual Donations shall be subject to the existence of statutory authority for the Credit.
3. CDFA shall award tax credits in exchange for Annual Donations as described in Section 2 above and shall provide all documentation necessary for the Contributor to claim such tax credits in each state fiscal year upon a first-come first-served basis. CDFA reserves the right, in its sole discretion, to accept Annual Donations in any state fiscal year in an amount that exceeds the limit set forth in New Hampshire RSA 162-L:10, IV(b). Any Annual Donation received that is not eligible for a tax credit in a given state fiscal year due to the timing of its receipt shall be carried forward to the next succeeding state fiscal year or years and shall be given priority in determining the total contributions received by CDFA that are eligible for credit in such state fiscal year pursuant to RSA 162-L:10.
4. Contributor's pledge to make the Annual Donations is made for the purposes expressed herein, and CDFA's ability to accept the Annual Donations, CDFA's subsequent use or conveyance of the Cash, and the Contributor's ability to obtain a tax credit for each Annual Donation shall at all times comply with and be limited by New Hampshire RSA 162-L, as revised from time to time.
5. Contributor agrees that it shall not enter into any agreements or arrangements with any individual, entity, or organization including, without limitation, the recipient of the Annual Donations for projects approved by CDFA, for the purpose of being reimbursed or recouping any Annual Donations that do not qualify for investment tax credits.
6. This Agreement shall supersede all prior agreements as to the subject matter hereof, shall be binding upon the successors of the parties hereto, may not be assigned or modified without the agreement, in writing, of CDFA, and shall be governed by New Hampshire law.
7. The parties shall execute such further documents and do all things necessary to carry out the terms of this Agreement.
8. Contributor shall be solely responsible for examining the state and federal tax laws with respect to this donation. CDFA has made no representations with respect to the tax effects of this donation other than those made in this Agreement. Contributor has relied on its own accountants and tax counsel in analyzing the tax effects of this donation.
9. The prevailing party in any legal action to enforce this Agreement and collect the Annual Donations shall be entitled to reasonable attorney's fees and costs.

By my signature below, I hereby agree to be bound by the terms of the Pledge Agreement. Contributor agrees to these terms as of the date of receipt of any pledge to donate to CDFA.

